

8, 2002 and August 27, 2001, be considered. Despite this, the Office Action of July 26, 2002 entered final rejections to the application. Reconsideration is respectfully requested.

***B. Resolved Issues***

It is understood that the action of July 26, 2002, has resolved some of the issues in the application.

First, claim 24 has been withdrawn from consideration without prejudice to the Applicants to pursue that claim in a related application if they choose. Therefore, the prior rejections of claim 24 are now moot.

Second, on the issue of diligence, it is understood that the original objections to the lack of signatures of inventors Schmitz and Stucki to earlier declarations has been overcome. Applicants gratefully acknowledge these findings by the Examiner.

***C. Remaining Issues -- Rejections Based on Primary Reference Walker U.S. Patent 5,794,207***

The remaining issues in the Office Action all relate to Walker U.S. Patent 5,794,207 (“Walker”). Applicant has submitted an original and four supplemental declarations and supporting evidence to swear behind Walker. It is understood that the Examiner has accepted Applicants’ evidence establishing (a) conception prior to the effective prior art date of September 4, 1996 of Walker and (b) actual reduction to practice of the claimed invention as of July 1997. The only issue remaining issue is understood to be whether the evidence to establish Applicants’ diligence between

September 4, 1996 and July 1997 to reduce the invention to practice is sufficient. The Examiner has confirmed in the Office Action that this period of approximately 11 months is the appropriate period of dispute. The Examiner also continues the rejection of the claims for obviousness using Walker as the primary reference. Each of these issues will be addressed below.

### **1. Diligence Evidence**

Applicants respectfully request reconsideration of the issue of diligence. They earnestly and respectfully submit that the evidence of record satisfies the legal requirements of proof of diligence.

The Examiner takes the position that Applicants' diligence evidence is insufficient because "it does not contain sufficient evidence of due diligence throughout the entire required period." Office Action, p. 10, first full paragraph. Four reasons are given, namely: 1) the day planner pages of Exhibits A and B are undated, very general and do not provide "details of what activities occurred on which dates to develop the invention"; 2) the screen shots of Exhibit c are undated<sup>1</sup>; 3) the Exhibit C screen shots relate to "confirmation, making, scheduling, deliveries of contracts and an agreement document", and 4) the third supplement declaration cites an October 1, 1996 meeting, the Examiner calling this "substantially later than" September 4, 1996, and claiming there are other such discontinuities throughout the declarations.

Reconsideration is requested based on the following points:

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<sup>1</sup> The Examiner raises the issue that the last page of Exhibit C bears a date of 7/23/01, apparently calling into question whether it is consistent with the declaration. It is consistent. That date is simply the date it was printed out from its electronic form for presentation with Applicants' August 2001 response. The declaration provides the time frame it was used.

1. Applicants' original DECLARATION OF PRIOR INVENTION... (37 CFR 1.131) filed with its response of August 27, 2001, at numbered paragraphs 5-8, gives the dates of Exhibits A-C — namely from a time prior to September 4, 1996 to around that date. The pages are not undated. As set forth in the declaration paragraph 5, the documents have dates; they just have been redacted. This is proper under MPEP Section 715.07. But further, the declaration establishes that by October 1996, just after the pre-September 4, 1996 conception activity, a business plan had been developed, followed by a rough prototype of the invention in November 1996. Pages from the business plan (Exhibit C) and examples of the rough prototype (Exhibit D) have been submitted. Then, Applicants' THIRD SUPPLEMENTAL DECLARATION OF PRIOR INVENTION... presented a timeline in table form, with specific dates (declaration pages 2-4), and attached calendar pages, with dates unredacted, and other corroborating evidence such as notes on the pages and receipts verifying the events for the relevant due diligence period. Specifics of the purpose of each of the events was given in the timeline table. This evidence was not given as exclusive support for diligence, but rather to supplement the prior evidence in response to the Examiner's request for more specifics during the relevant diligence period. The original DECLARATION OF PRIOR INVENTION states: "In the summer of 1996 through the end of the year, work occurred on the formation of the company, planning, obtaining capital, hiring personnel, and the beginning of work towards a prototype of the invention." This covers the entire period from the effective date of Walker until

the end of 1997, approximately four months. (DECLARATION OF PRIOR INVENTION paragraph 10). Specifics about a rough prototype of later 1996 were given (paragraphs 11-12). Then, continued work on a prototype and continued hiring of personnel continued in 1997 until the July 1997 reduction to practice, just over 6 months later (declaration paragraphs 13-14). This covers the entire period from the first part of 1997 until actual reduction to practice in July 1997. Specific events in October and December 1996, and February, March, April, May and June 1997 are itemized in the THIRD SUPPLEMENT DECLARATION to corroborate the uninterrupted complete period from before September 1996 to July 1997.

2. It has been held that what is "due diligence" is considered in light of the specific circumstances of each case, and that diligence need only be "reasonable" under the circumstances. An inventor may trace the date of invention back to the date of conception if he or she can show reasonable diligence in reducing the invention the practice from conception to the date of actual reduction to practice. *Mahurkar v. C.R. Bard, Inc.*, 79 F.3d 1572, 1577 (Fed. Cir. 1996). Reasonable diligence is considered in light of all the circumstances during the relevant time period. *Hybritech Inc. v. Abbott Laboratories*, 4 USPQ2d 1000, 1006, (C.D. Cal. 1987), *aff'd* 849 F.2d 1446 (Fed. Cir. 1988). It is submitted that Applicants' evidence of diligence, stated by the inventors and corroborated by testimony other than the inventors' testimony and documents, is sufficient under the circumstances. The period of time is less than one year. The reduction to practice of a system of this

type is daunting, takes significant resources, and requires the right people. The assignee of the invention was not a huge, on-going company with unlimited resources, with the luxury of an existing infrastructure and employees, but rather literally a start-up company formed around the concept of the invention. Under such circumstances the actions of simultaneously working on rough prototypes and trying, with very limited resources, to put in place the infrastructure to reduce the invention to practice; and successfully doing so in under a year is not only diligent, but remarkable. In assessing whether an inventor has been diligent in reducing the invention to practice, the "everyday problems and limitations encountered by an inventor" may be considered. *Griffith v. Kanamaru*, 816 F.2d 624, 627 (Fed. Cir. 1987). Thus, as long as the inventor was engaging in activity that was reasonably necessary for the invention to be reduced to practice, that activity is diligent, even if the inventor "did not actually work on the invention each day." *Hybritech, Inc.*, 4 USPQ2d at 1006.

3. There is no known rule that a day-by-day accounting of diligence must be presented. Here, again, the declarations cover the entire relevant diligence period. But additionally, substantial specific evidence has been submitted, corroborating with specific acts the approximately 11 months of the relevant period. The declarations and evidence submitted are therefore not merely a general statement. They comprise a specific statement. The evidence includes "specific acts directed towards specific times." *Loral Fairchild Corp. v. Victor Company of Japan, Ltd.*, 931 F.Supp. 1014, 1029 (E.D.N.Y. 1996), *aff'd*, 181 F.3d 1313 (Fed. Cir. 1999).

4. Moreover, the evidence is clear that the focus of activities of the principles of the assignee of the invention was on advancing the invention to reduction to practice. Again, this was a handful of individuals with an idea for a start-up company. They put as much time and resources towards it as possible under the circumstances. Proof that the inventor has been reasonably diligent does not require a showing of continuous work on the invention or that the inventor focused solely on the particular invention during the disputed time period.  
*Mycogen Plant Science, Inc. v. Monsanto Co.*, 252 F.3d 1306, 1317 (Fed. Cir. 2001). Events constituting a hardship on the inventor may be considered. *Griffith*, 816 F.2d at 627. The commercial development of a product to its most profitable form will usually not constitute due diligence. *Id.* However, difficulties associated with the formation of a new business may be considered. *Hybritech, Inc.*, 4 USPQ2d at 1006.
5. Thus, Applicants' evidence does cover the entire period at issue. And, the evidence establishes continuous activity related to the actual reduction to practice of the invention. A full-blown wide area network system and method could not be accomplished without the actual hardware and software, and testing of the same. This required expertise and equipment. This can not happen out of thin air or instantaneously. On this point, the Federal Circuit has held that reasonable diligence can be established by showing steps to form the infrastructure to practice a claimed method, as opposed to the actual reduction to practice of the claimed method. *Scott v Koyama*, 61 USPQ2d 1856 (Fed. Cir. 2002) (Evidence

of construction of manufacturing plant to practice a chemical process is sufficient to show diligence even though preparations for manufacturing are not themselves actual reduction to practice of the chemical process itself; there is no rule that only practice of the chemical process itself is evidence of diligence.)

For these reasons, and those submitted in prior responses, Applicants respectfully request reconsideration of the issue of diligence. It is respectfully submitted that reasonable diligence has been shown under the circumstances, and that the entire period has been accounted for.

## **2.      Obviousness Rejections**

The Office Action continues a rejection of Applicants' claims taking the position that claims 1, 2, 4-18, 20, 22, 23, and 25-28 are obvious based on a combination of the teachings of Walker and the Commodity Trading Manual ("Manual"); that claims 3 and 19 are obvious based on a combination of Walker, the Manual, and the Microsoft Press Computer Dictionary, Third Edition ("Dictionary"); and that claim 21 is obvious based on Walker, the Manual, and Peterson U.S. Patent 5,113,643 ("Peterson").

First, these rejections are believed traversed because Applicants have sufficiently sworn behind Walker, as discussed above and all the Section 103 rejections rely on Walker as the primary reference.

Second, these rejections are believed traversed for the reasons set forth in Applicants' May 8, 2002 response, which is incorporated by reference herein. It is respectfully submitted that a *prima facie* case for obviousness as not been made out.

First, there is no showing of any motivation (other than through the hindsight of Applicants' invention) to combine the teachings of Walker and the Manual. The Office Action alleges that there is a motivation to combine them, citing the Examiner's action of November 8, 2001 (paper number 7), page 3, lines 12 to end of page, which states:

It would have been obvious to one of ordinary skill in the art at the time of the invention to have processed the agricultural commodities information to generate contracts as disclosed by Manual in the method of Walker et al, because this would have provided a buyer-driven market suitable for commodities which had the advantages recited by Walker et al at Col. 10, line 57 to Col. 11, line 3.

The Examiner has admitted that Walker "does not specifically disclose the storage and processing of information related to agricultural commodities in their invention." Latest Office Action, Page 3, first full paragraph. Although the Examiner alleges Walker does "suggest its applicability to commodities when they describe commodities as being handled best by buyer-driven markets, such as their invention.", citing Walker Col. 2, lines 45-54, it is respectfully submitted that Walker Col. 2, lines 45-54 supports a different conclusion. The "commodities" listed in the cited passage ("oil or coal") are not agricultural commodities of the type described in Applicants' application. And the Walker passage specifies that its system is not directed to situations where the buyer's purchase conditions are great in number and complexity. Walker want to minimize conditions and complexity for its RFQ/RFP system. In contrast, Applicant's specification describes the wide variety of options and conditions both buyer and producer can enter into the system. But further, the Examiner is relying on the Manual as prior art describing the agricultural commodities contracting methodology. There is no suggestion in Walker of applicability to such a complex transactional model. Therefore,

no motivation to combine Walker with the Manual exists when Walker itself teaches away from the complex model of agricultural commodities in the Manual.

Additionally, Applicants' claims are not directed to a simple RFQ or RFP system, as proposed by Walker. For example, Applicants' claim 1 specifies a central database where "agricultural commodities desired by one or more agricultural commodity buyers" are stored as to "types and amounts". Walker's RFQ or RFP system is set up to handle a simple "well-defined purchase need" (col. 2, line 52), not a complex variety to types and amounts of desired agricultural commodities. Furthermore, Applicants' claim 1 requires "type and amount" a supplier of the same agricultural commodity "is willing to supply" "at harvest or at other times". Again, Walker teaches a simple RFQ or RFP for a well-defined purchase need with a minimum amount of conditions. The very nature of agricultural commodity forward-contracting involves a variety of optional conditions for both buyer and producer.

Therefore, it is respectfully submitted that there is no *prima facie* showing that Walker suggests combination with the Manual. This is corroborated by the fact that despite the large amounts of money and resources available from many agricultural commodity buyers, no citation suggests application of the RFQ or RFP systems like Walker to that world. As stated in Applicants' specification, attempts have been made to utilize automated systems in the agricultural commodity world, but they are significantly different from what is claimed in the present application. Thus, absent a suggestion of combination, Walker and the Manual can not render the claims obvious. But, even if combined, they lack the teaching of Applicants' claims.

Additionally, the specific comments regarding obviousness of Applicants' claim 9 are respectfully traversed. The Examiner alleges that the Manual "discloses data relating to allocation of quantities of agricultural products among a plurality of areas". Office Action page 4, paragraph 6. The cited parts of the Manual do show how different types of wheat are grown in different areas of the country. But there is no disclosure, teaching, or contemplation in those pages of the Manual of "storing data identifying a quantity of agricultural products desired by the buyer; and storing data related to a desired allocation of the quantity of agricultural products among a plurality of areas", as required by claim 9. The Manual pages are not seen to teach assigning allocations of quantities from plural areas as desired by specific buyers. This corroborates the type of differences between Walker and the Manual, and the types of advantages possible with the claimed invention.

Similarly, the Examiner takes the position it would be obvious to update a database, according to Applicants' claim 10. But again, if Walker is utilized in comparison, Walker does not teach listing desired agricultural commodities available in desired areas. It does not teach any updating "as a result of contracting between the supplier and the buyer", as required by claim 10. And the Manual has no teaching of use of a database. The citation to the Manual does not teach a listing by individual suppliers of products available in certain areas.

The remaining claims have limitations similar to those of claim 1, and therefore are submitted to be non-obvious for the reasons claim 1 is non-obvious. None of the remaining cited references teach the limitations rendering Applicants' claims patentably distinct.

***D. Request to Withdraw Final Rejection***

The Examiner has chosen to make this action “final”. However, it is respectfully requested that this decision be reconsidered and withdrawn.

The RCE was filed after additional evidence supporting diligence and additional arguments for patentability of the claims was submitted, and after the Examiner had held that such arguments would not be entered because they raised new issues requiring further search or consideration.

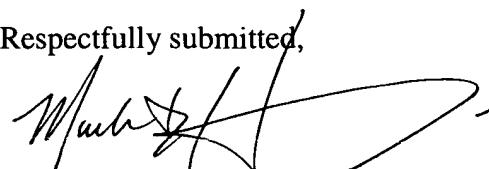
The Examiner cites Manual of Patent Examining Procedure (MPEP) Section 706.07(b) as support for the ability to make an action final. However, that section indicates it is not proper to make final a first action where a continuing application contains material denied prior entry because new issues were raised. Furthermore, when a primary issue in the application is simply the sufficiency of the quantity of diligence evidence, and success on this issue likely would eliminate most, if not all remaining issues in the application, it is submitted that making the action final should be reversed as premature. Thus, withdrawal of its finality is respectfully requested under MPEP Section 706.07(d).

***E. Conclusion***

It is respectfully submitted that if favorable action is granted based on this response, all matters raised in the prior action have been addressed and remedied, and that the claims are in form for allowance. Reconsideration and allowance is respectfully requested.

If this response does not result in such favorable action, the undersigned respectfully requests the opportunity of a telephonic interview with the Examiner to discuss any remaining issues. It is not believed that any fees or extensions of time are required for entry of this response. However, if any such fee and/or extension have been inadvertently overlooked, please consider this a request therefore and charge any required fee to deposit account 26-0084.

Respectfully submitted,



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